



California Partnership for Long-Term Care

Issuers Bulletin 2001

Issue No. 8

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Alert:

The minimum daily Nursing Facility care benefit coverage limit for the year 2001 is \$100 with a \$50 (50%) Residential Care and Assisted Living benefit. However, the new SB 870 compliant policies will require a \$70 (70%) Residential Care and Assisted Living benefit when they become available later in 2001.

In This Issue...



Statewide average daily private pay rate for nursing facility care in California 1980 – 2001..... (P. 1)



Coverage limits for Partnership policies for calendar year 2001..... (P. 2)

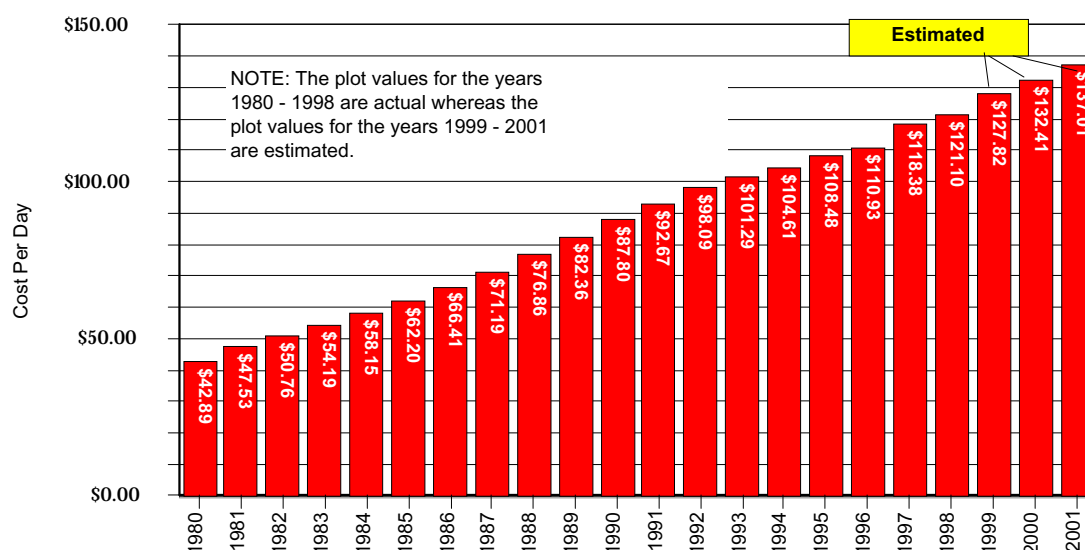


Target population age & income thresholds for 2001..... (P. 3)



Medi-Cal resource limits for calendar year 2001..... (P. 4)

Statewide Yearly Average Daily Private Pay Rate For Nursing Facility Care In California 1980 – 2001



Source: California Office of Statewide Health Planning and Development
Aggregate Long-Term Care Facility Financial Data

Average Annual Percent Increase in Nursing Facility Private Pay Rates Since 1980

Time Period	Average Annual Increase
1980 – 1989	6.74%
1990 – 1999	3.83%
1980 – 1999	5.61%

NOTE: Average Daily Nursing Facility Private Pay Rates (ADPPR) are the actual statewide average private pay rate for the year shown. The rates are extracted from the Aggregate Long-Term Care Facility Financial Data (Office of Statewide Health Planning and Development). The rates for the years 1999-2001 are estimated through a forecasting model based on the five year moving average. ADPPR is the Average Daily Private Pay Rate as defined in California Code of Regulations, Title 22, Section 58002.

NOTE: Partnership approved policies and certificates issued in 2001 must include a per diem for nursing facility care of no less than \$100.00.

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**Coverage Limits
for Partnership Policies
Issued for Calendar Year 2001**

Indemnity Policies and Certificates

	Nursing Home Care Benefit Payments* (per diem)	Residential Care Benefit Payments* (per diem)	NEW SB870 Policies Residential Care Benefit Payments* (per diem)	Home and Community-Based Care Benefit Payments* (monthly)	Lifetime Maximum Benefit Payments
Minimum Coverage Limits**	\$100	\$50	\$70	\$1,500	\$36,500
		Allowable Range	Allowable Range	Allowable Range	Allowable Range
Optional Coverage Amounts	\$100	\$50 – \$100	\$70 – \$100	\$1,500 – \$3,000	\$36,500 – Lifetime
	\$110	\$55 – \$110	\$77 – \$110	\$1,650 – \$3,300	\$40,150 – Lifetime
	\$120	\$60 – \$120	\$84 – \$120	\$1,800 – \$3,600	\$43,800 – Lifetime
	\$130	\$65 – \$130	\$91 – \$130	\$1,950 – \$3,900	\$47,450 – Lifetime
	\$140	\$70 – \$140	\$98 – \$140	\$2,100 – \$4,200	\$51,100 – Lifetime
	No Maximum	No Maximum	No Maximum	No Maximum	– Lifetime

* Title 22, California Code of Regulations section 58059(c) and 58059(i) (2)

** A minimum coverage policy is a policy with a lifetime maximum benefit set in dollars and equivalent in dollars to 365 times 70% of the Average Daily Private Pay Rate for Nursing Facilities . Title 22, California Code of Regulations, section 58059(c).

**Target Population
Age & Income
Thresholds
for 2001**

The Target Population for the California Partnership for Long-Term Care :

The Partnership seeks to increase long-term care insurance coverage among Californians between the ages of 55 and 74. This group is made up of pre-retirees and early retirees and their spouses. The total number of Californians in this age group are shown below in column 1.

“At Risk” Population: The “At Risk” population is comprised of the middle income Californians within the Target Population—individuals with annual incomes less than the richest 25% of their age group but more than the poorest 25% of their age group and marital status, see columns 3 and 5. Individuals in the “At Risk” population (columns 2 and 4) are the number of individuals at risk of impoverishing themselves and spending-down to Medi-Cal eligibility levels should they incur long-term care expenses and not have private insurance. The “asset protection” feature of Partnership policies is particularly valuable to individuals in the “At Risk” population.

Target Population		“At Risk” Population			
	1	2	3	4	5
Age Group*	Total California Population (regardless of income bracket) in the age group	Number of Married Persons	Income Between the 25th & 75th. Percentile for Married Persons	Number of Single Persons	Income Between the 25th & 75th. Percentile for Single Persons
55-59 (Pre-Retirees)	1,537,763	511,745	\$9,600 – \$58,015	302,791	\$9,312 – \$44,825
60-64 (Pre-Retirees)	1,120,858	389,872	\$7,928 – \$42,172	243,004	\$9,174 – \$55,000
65-74 (Recent Retirees)	1,884,146	577,839	\$7,200 – \$28,904	431,756	\$8,466 – \$28,207
Total At Risk =>		1,479,456		977,551	

* Numbers extracted from the State of California, Department of Finance, Current Population Survey Report, March 2000 Data.

**Medi-Cal
Resource Limits
For Calendar Year 2001**

The California Department of Health Services' Medi-Cal Eligibility Branch has issued the year 2001 income and resource amounts:

Year 2001 Income and Resource Amounts Affecting Community Spouses

The California Department of Health Services' Medi-Cal Eligibility Branch has issued the year 2001 community spouse resource allowance (CSRA) and the minimum monthly maintenance needs allowance (MMMNA). The year 2001 CSRA is: \$87,000 and the 2001 MMMNA is \$2,175 in monthly income.

The resource limits and income provisions work in the following way for a married couple when one spouse is in a nursing home and the other spouse is still at home:

The spouse at home may keep up to \$87,000 in resources (property and other assets) while the institutionalized spouse may keep an additional \$2,000. Single individuals in long-term care or remaining at home and getting Medi-Cal are permitted to retain \$2,000 in addition to any other exempt assets.

The spouse at home may keep all of the income received in his or her name, regardless of the amount. If the amount is below \$2,175 per month, the institutionalized spouse may allocate income to bring the at-home spouse's income up to the \$2,175 per month. The spouse in the nursing home is permitted to keep \$35.00 in monthly income for personal needs.

Medi-Cal Share of Cost

If you are on Medi-Cal, you must use your monthly income from Social Security, a pension, etc. to pay for your health and long-term care expenses. Your income will probably not be enough to pay the entire bill, so Medi-Cal will pay the rest of your nursing home bill or any other medical expenses you may have.

You will be allowed to keep a certain amount of your income each month. In 2001, the following is the minimum monthly maintenance need level:

- ◆ If you are living in the community an individual may keep \$600, a married couple \$934; or
- ◆ If you are in a nursing home, you may keep \$35 in monthly income for personal needs; if you have a spouse at home, the at home spouse may keep all of the income received in his/her name, regardless of the amount. If the amount is below \$2,175 per month, the institutionalized spouse may allocate income to bring the at home spouse's income up to the \$2,175 per month.

In determining your share of cost (SOC), Medi-Cal will calculate your total monthly income. This figure is your net income. Then the monthly maintenance need amount is subtracted from your net income. The remaining amount is your monthly share of cost, the amount you would have to spend on medical or long-term care before Medi-Cal begins payment.

For more detailed information on how the Medi-Cal SOC is calculated, contact your local county Department of Health and Human Services.

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The California Partnership for Long-Term Care



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